FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 138 18 July 1986

ARGENTINA

Official Condemns U.S. Central American Policy B 1
Alfonsin Pays Visits to Japan, Philippines B 1
[cross-reference]
Sourrouille Discusses Japanese Credits B 1
Foreign Minister on Alfonsin's Japan Visit B 2
Daily Speculates U.S. Envoy To Be Replaced B 3
Ubaldini Says CGT Will Not Bargain Strike Right B 4

BOLIVIA

Government Communique on Presence of U.S. Troops C 1
Criticism From Various Sectors C 1
Further Reaction C 3
Vice President Confirms Loyalty to Paz C 3

CHILE

Minister Comments on Meeting With Gelbard E 1
Gelbard, Fresno Meet E 1
PDC Rejects Agreement, Alliance With PCCh E 1
MDP Document on Pinochet's Concepcion Speech E 2
New National Civic Assembly Coordinator Named E 2
Bomb Explodes Near La Moneda Palace; No Injuries E 3
Arsenal Found at Talcahuano University E 3
[LA TERCERA DE LA HORA 17 Jul]

COLOMBIA

FARC's Arenas Says Truce 'In Peril'; Army Denies F 1
Subcommission Reviews Charges Against President F 1

ECUADOR

Armed Forces Oppose Amnesty for Vargas, Bucaram G 1
Briefs: Oil Contract Terminated; Important Oil Discovery G 1

PERU

Committee Hears Danish Ship Arms Case Report J 1
Cabello Installed as Republican Guard Director J 1
Terrorists Attack 3 Buildings in Lima J 2
Drug Traffickers Kill Peasants in Huanuco J 2
Briefs: Inflation Rate J 2

PANAMA

President Announces Canal Rights Campaign N 1
[LA ESTRELLA DE PANAMA 16 Jul]
PAPA Calls for 'National Reorganization' N 1
[LA PRENSA 15 Jul]

CENTRAL AMERICA

BELIZE

Esquivel Discusses Economy, Foreign Policy P 1

EL SALVADOR

18 U.S. Priests, UK Newsman Arrested in Suchitoto P 2
[LA PRENSA GRAFICA 17 Jul]
Expelled to Guatemala P 2
Gen Blandon Comments P 3
Rey Prendes Rejects Debate Proposed by FMLN P 3
Venceremos on Army Cooperation With Honduras P 4

GUATEMALA

Economy Ministry Confirms Trade Suspension P 5

NICARAGUA

Intersputnik System Dedicated With USSR P 6
EPS Leaders Discuss Response to Contra Aid P 6
Capt Wheelock on Airspace P 6
Hugo Torres on U.S. Army Moves P 8
Arce Views U.S. Aid for C.A. Region P 9
'Managua Declaration' Guarantees Indians' Rights P 11

CUBA

Paris Club Reportedly Agrees To Refinance Debt [REUTER] Q 1
Castro Sends Message to Vietnam's Truong Chinh Q 1
Rodriguez Meets With Vietnamese Deputy Chairman Q 1
Deputy Foreign Minister Mazola Visits Libya Q 1
[cross-reference]
Elections Scheduled for 18, 26 October Q 1

CARIBBEAN

ANTIGUA-BARBUDA

Investment Treaty Negotiated With U.K. S 1

DOMINICA

Charles Doubts Creation of Caribbean Federation S 1

TRINIDAD-TOBAGO

TRINIDAD GUARDIAN on Commonwealth Games Boycott S 2
PNM Denies Race Issue in Campaign S 3

OFFICIAL CONDEMNS U.S. CENTRAL AMERICAN POLICY

PY171837 Buenos Aires DYN in Spanish 0042 GMT 17 Jul 86

[Text] Buenos Aires, 16 Jul (DYN) -- Presidential adviser Aldo Tessio today said that U.S. President Ronald Reagan "has delirium tremens" and predicted that his intervention in Central America will start a "Vietnamization" of the area. Talking on the program "Open Journalism," broadcast by Radio Mitre, Tessio emphasized that "Nicaragua is a small country that cannot represent a direct danger to the United States." "However," he added, "for Latin America, Nicaragua is the expression of a country that was able to endure the great hardship of a dictatorship that did not come from the skies, but was put there by Wall Street interests and U.S. policy, for (Anastasio) Somoza was a foreman for U.S. policy."

Tessio said that "we worry about Nicaragua because someone is really trying to destabilize some of the weaker Latin American democracies."

"I am worried about Honduras," he added, "which is a platform for Somozist and U.S. interests that will bring about the Vietnamization of Central America." In his strong condemnation of U.S. policy in Central America, the presidential adivser said that "the United States is really governed by the military-industrial complex and a president who has 'delirium tremens' at the thought of his country falling into the hands of world communism."

"I hope that Mr Reagan's state of delirium will abate," he continued, "because it will greatly affect Latin America and even his own country."

Tessio also talked about the Chilean situation, stating that "I feel sorry for the Chilean people," because "an everlasting dictatorship has unleashed a savage repression that amazes the whole world." He said: "Pinochet is striking the last blows against the people of a country who are fighting at a disadvantage, facing armed and security forces known for their barbarism and cruelty."

ALFONSIN PAYS VISITS TO JAPAN, PHILIPPINES

For reportage on President Raul Alfonsin's 13-17 July visit to Japan and 17-19 July visit to the Philippines, see the 18 July Asia and Pacific DAILY REPORT and subsequent issues.

SOURREOUILLE DISCUSSES JAPANESE CREDITS

PY161744 Buenos Aires NOTICIAS ARGENTINAS 1838 GMT 15 Jul 86

[By special correspondent]

[Text] Tokyo, 15 Jul (NA) -- Economy Minister Juan Sourrouille has stated here that the $100-million loan granted by the Tokyo Eximbank "is the beginning of voluntary credit operations for Argentina," which is something "we have been trying to get for years." Sourrouille indicated that "no deadline" has been established on the loans during the 2 days of negotiations. He added that the decision to invest in Argentina was made by Japanese businessmen and that the operation "does not need the authorization of any government." Sourrouille, considered the key man in the negotiations by the Argentine private businessmen who came with the delegation, said that the result of the visit to Japan must be considered positive for the future of the Argentine economy.

Sourrouille made this comment to reporters regarding the intense negotiations held in Tokyo during the banquet given by President Raul Alfonsin to Prime Minister Yasuhiro Nakasone.

He said: "We discussed several issues here. One of them was the beginning of the voluntary credit operations for Argentina, and the $100-million credit granted by the Eximbank is part of that operation. It is the first operation of that type by our country with Japan in many years." He added that the loan "is not very big, but it has a special meaning because it is a return to voluntary credit for Argentina, which we have been trying to get for many years."

Sourrouille also reported that during the negotiations in Tokyo an agreement in principle was reached on a different way to manage export insurance in the future. He added that he is not aware "whether Japan is doing this with other countries. What I do know is that Japan is doing it with Argentina, and this is an exception."

Sourrouille also indicated that "there was no discussion on establishing deadlines. it was simply a decision to sign an agreement in accordance with the real situation and future of the Argentine economy."

He added: "Time will tell. What we do know now is that there is a much more favorable attitude toward Argentina, to such an extent that the Japanese Government is organizing -- as a next step following our presence here -- a visit by Japanese public officials and private businessmen to Argentina before the end of this year."

Regarding the foreign debt, the minister said that "the Japanese position is perhaps a bit different from that of other creditor countries because the idea of reconstruction is very alive in this country. Japan is convinced that economic growth is a major objective because it permits debtors to pay their debts, and also because it is the main political goal of any country. This is a firmly rooted idea." He added: "There is a very clear idea here about putting growth first, and the problems and eventual financing for growth second. This is the order used for discussion by the people here."

In conclusion, Sourrouille pointed out that the issue of Argentine foreign debt with Japan, its second largest creditor in the Paris Club, was not discussed. He added: "We are looking at that issue under the general perspective of the developing countries. From that viewpoint, I believe there is more agreement here with our position than we have observed in other areas."

FOREIGN MINISTER ON ALFONSIN'S JAPAN VISIT

PY171850 Buenos Aires TELAM in Spanish 0028 GMT 17 Jul 86

[By special correspondent Jose Bacigalupe]

[Text] Kyoto, 17 Jul (TELAM) -- Argentine Foreign Minister Dante Caputo has described the negotiations that the delegation headed by President Alfonsin has conducted in Japan as successful. The delegation today concluded its visit. Caputo added that Argentina hopes to associate itself with economic powers that are not political powers.

He made these comments to Argentine newsmen and pointed out that Argentine-Japanese relations are excellent at all levels. He said that this was clear not only at official-level meetings, but also at the private level.

Caputo said that he believes that the group of Argentine businessmen who met with their Japanese counterparts obtained highly satisfactory results. He added that the entire tour has been a success, as President (Raul) Alfonsin yesterday said during a meeting at the Press Club.

Caputo said that he believes that he conveyed to the Japanese authorities and businessmen what is being done in Argentina, what changes are being implemented, and what is being sought for the future in the efforts to join the modern world.

The Argentine foreign minister said that there are few countries in the world that are real economic powers but are not political powers. He added that to negotiate with these powers means not to run the risk of creating any type of dependency.

He stated that the talks that were started here will have to find channels that will allow a broader exchange not only in economic areas, but in cultural ones as well.

He remarked that associating with economic powers, such as Japan, which is not a political power, is especially interesting because they are nations which do not intend to impose any kind of political economy. He explained that there is no risk of creating any economic dependency.

He said that the possibilities of creating firm ties between the two nations will be pursued throughout the years with perseverance, seeking topics of common interest.

He recalled that we have attained fruitful results with Brazil after 2 years of negotiations. These results will become concrete when the Brazilian president shortly visits Buenos Aires and signs with his counterpart, Alfonsin, important agreements within the framework of Latin America and the world.

Caputo added that in Japan we started negotiations similar to those started 2 1/2 years ago with Brazil.

Alfonsin has now left for Manila, the Philippines, where he will be received at the airport by President Corazon Aquino, with whom he will hold discussions.

DAILY SPECULATES U.S. ENVOY TO BE REPLACED

PY180015 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2115 GMT 17 Jul 86

[Text] Buenos Aires, 17 Jul (NA) -- According to a report, which has been denied by the embassy spokesman, next month American businessman Edward Gilred, a personal friend of President Ronald Reagan, will reportedly replace Frank Ortiz as U.S. Ambassador to Argentina.

When NA asked the U.S. Embassy about this information the reply was the classic "no comment." This is a phrase which American diplomacy usually uses to reply to questions that cannot be confirmed or denied.

The embassy spokesman explained that "we cannot comment on this sort of information until the corresponding country approves the appointment, in keeping with diplomatic norms."

According to an article published today by LA NACION newspaper, Gilred is not a career diplomat, but it is evident that he "is a contributor to the Republican Party."

The article reports that the possible new American ambassador to Argentina "is a man between 50 and 60 years of age who earned a fortune in the real estate business," and who in 1984 "founded a Latin American Studies Institute in California."

According to the newspaper article, "the replacement of a veteran diplomat like Ortiz with a businessman who is a personal friend of President Reagan is apparently a new aspect in Argentine-U.S. diplomatic relations. These relations are currently at one of their most cordial levels."

In conclusion, the article states that "there is no evidence that Ortiz will be replaced anytime soon." However, well-informed sources say that the change will take place next month.

UBALDINI SAYS CGT WILL NOT BARGAIN STRIKE RIGHT

PY171337 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2100 GMT 16 Jul 86

[Text] Buenos Aires, 16 Jul (NA) -- CGT [General Confederation of Labor] Secretary Saul Ubaldini today rejected any possibility of the CGT negotiating with the government over the regulations on strike rights, as the government reportedly intends to do.

Ubaldini said: "The CGT will never sit down and regulate the right to strike. It would be preferrable for them to call on us to solve the serious problems being faced by the workers and put aside attempts to remove a right that is established in our constitution."

GOVERNMENT COMMUNIQUE ON PRESENCE OF U.S. TROOPS

PY180319 La Paz La Red Panamericana in Spanish 0000 GMT 18 Jul 86

[Text] Information Minister Hernan Antelo has said that the U.S. cooperation with technical equipment and personnel in the fight against drug trafficking is the result of multilateral and bilateral agreements and treaties signed by Bolivia and the United States within the United Nations framework. Minister Antelo has given this explanation in reply to press reports about the arrival of six U.S. helicopters and experts in the last few days.

This is the first step of a great operation, the information minister said as he handed out a six-point explanation drawn up by his office.

First, this is part of a great operation designed, planned, and directed by the appropriate Bolivian authorities to crack down on cocaine manufacturers and traffickers in their own hideouts, which until this time have not been accesible to the law because of the limited resources of the Bolivian police.

Second, the following equipment and people are participating in the operation: elite Bolivian police troops, 7 helicopters -- of which 1 is Bolivian and 6 American -- and approximately 160 U.S. experts, among which are pilots, mechanics, and communications experts.

Third, the American personnel will not participate in the repressive actions because the Mobile Units for Rural Areas [Umopar] are in charge of these actions.

Fourth, the plan was drawn up within a strategy developed and proposed last October by the Defense Ministry, it will be executed within the national legal framework, and no illegal measure will be adopted.

Fifth, in this case, U.S. cooperation is a result of bilateral and multilateral agreements and treaties signed by Bolivia, such as the 1961 Single Convention on Narcotics and its additional 1972 protocol within that framework. This describes the leagal status of the crime as a common crime punishable by the law of most countries/

Sixth, based on this multilateral instrument, and others such as the one recently signed in Rio de Janeiro, the Rodrigo Lara Bonilla agreement of 30 April 1986 signed in Lima, and the parlamentarians' drug trafficking and narcotics dependence conference that took place in Quito in May 1986, the Bolivian Republic and the United States have signed [word indistinct] bilateral agreements on 11 August 1983, 8 November 1983, and 22 April 1986.

Therefore, this operation, which is mainly of a police nature, is part of these agreements and does not need to be approved by the national Congress. Such approval is necessary when, for example, the executive branch requested the approval of Congress to carry out the joint U.S.-Bolivian military exercise last April.

Criticism From Various Sectors

PY180131 Madrid EFE in Spanish 2206 GMT 17 Jul 86

[Text] La Paz, 17 Jul (EFE) -- Astonishment, concern, and criticism were the main reactions among various Bolivian sectors when it was confirmed that the U.S. Army had decided to participate directly in the struggle against drug trafficking.

The joint antidrug trafficking operation between the United States and Bolivian police group, the Leopards, started yesterday in Trinidad, in Beni Department, on the border with Brazil, amid total secrecy.

The first step of the plan is to install an operations base northeast of the Beni region. This base will have communications equipment capable of detecting drug trafficking airplanes from more than 100 clandestine air strips carrying cocaine paste abroad, Bolivian Defense Ministry sources told EFE.

Senate President Oscar Zamora Medinacelli, today announced that he will summon a congressional meeting to analyze this plan, which "has not been discussed with the legislative branch, and which is therefore illegal," he said.

Deputy Gaston Encinas, president of the Chamber of Deputies, today said that "no country can allow the intervention of foreign armies in its domestic matters since it affects its national security."

This operation, called "Bol-U.S.A.," is considered to be the greatest one carried out in Latin America, considering the military display that could be observed. Smaller operations have already been seen in Bahamas and Colombia.

On 14 July American Galaxy and Hercules airplanes brought six Black Hawk combat helicopters from Panama to the airport in Santa Cruz, southeast of La Paz. The planes also brought communication equipment and nearly 150 officers, soldiers and Drug Enforcement Agency [DEA] members.

The plan also envisages the installation of another center in the Santa Cruz Department, to control the drugs coming from Cochabamba.

The Bolivian political parties and labor unions have reacted angrily to this Bol-U.S.A. plan.

Socialist Party One Deputy Roger Cortez, today said that "the manner in which the U.S. military men were introduced into the country violates basic Bolivian legal order."

Deputy Mario Rueda Pena, former minister of the Siles Zuao administration, said: "We are all against the drug trafficking mafia, but it so happens that U.S. military troops have arrived in the country without complying with a constitutional prerequisite" which establishes that the arrival of foreign forces be approved by Congress.

Bolivian Labor Confederation [COB] Secretary Fernando Fuentes said that "this amounts to direct intervention, under the pretext of combatting drug trafficking, illegally authorized by the executive branch, which shows how it is ruling Bolivia."

Defense Ministry sources told EFE today that "no U.S. troops arrived from the United States; they are only mechanical, technical, and communications experts. They are not soldiers. Troops could not arrive in six helicopters."

"The struggle against drug trafficking will be carried out just as it has been: by Bolivian expert personnel, especially trained for this, and the United States will only give us logistical support and nothing more," the source said.

Press reports sent from Trinidad to Government House said that more then eight people could be seen in each helicopter, most wearing uniforms."

It was also reported that the helicopters transported boxes and equipment "containing weapons and presumably communications equipment."

Further Reaction

PY172259 La Paz La Red Panamericana in Spanish 1700 GMT 17 Jul 86

[Excerpts] The Latin American Parliament has started meeting in Santa Cruz de la Sierra with the participation of many delegations of Latin American legislators. The sessions will start today at 1700 in the Spanish Residents House in this city. Here is a relay from our correspondent in Santa Cruz de la Sierra:

[Begin relay by unidentified reporter] Bolivian congressmen have certainly reacted to the news of the alleged arrival of U.S. troops and war materiel to fight drug trafficking. National Senator Oscar Zamora Medinacelli angrily said that he will request clarification and will ask the interior minister to provide a report on the subject in the next few hours.

The president of the Chamber of Deputies has made similar statements and added that no foreign intervention is permitted without Congress' approval. We are not against fighting drug trafficking, however, we must stay within a legal framework because we are not a tiny hamlet allowing any government to bring in its forces. I wonder, he said, what would happen if Bolivian police forces arrived in the United States to start a fight. The American people would certainly react immediately. [end relay]

The Bolivian delegation to the Latin American Parliament does not favor U.S. military intervention in the struggle against drug trafficking. [recorded passage omitted]

[Begin relay] President Victor Paz Estenssoro is expected to arrive in Santa Cruz between 1500 and 1600 today at the El Trompillo military base, from where he will go directly to the Spanish Residents House. The president will be received by the Latin American congressmen and will dedicate the congress. This was a relay for Panamericana from Santa Cruz. [end relay]

Everything is thus ready for the first Latin American Parliament meeting in Santa Cruz, which will end 20 July.

VICE PRESIDENT CONFIRMS LOYALTY TO PAZ

PY171817 La Paz La Red Panamericana in Spanish 0000 GMT 16 Jul 86

[Excerpt] Vice President Julio Garrett Ayllon has stated that his loyalty to President Victor Paz Estenssoro cannot be questioned and that some anonynous documents that circulated in the country during his absence regarding a plot are absolutely false. Julio Garrett made this statement during a news conference in his offices. Regarding his visit to the PRC, Garrett said that he made contacts to try to obtain greater financing for the country. Regarding the struggle against drug trafficking, he said.

[Begin recording] I tried to reach agreements at the UNCTAD level, the UN organization in charge of the struggle against drug trafficking. We clearly established that [passage indistinct]. [end recording]

The vice president did not want to comment on a Congressional Committee rejection of the popular consultation because he did not have enough information on the issue. [passage omitted]

MINISTER COMMENTS ON TALK WITH GELBARD

PY172159 Santiago Radio Chilena in Spanish 1700 GMT 17 Jul 86

[Excerpt] [Passage omitted] As for the talk he had with the U.S. envoy, Robert Gelbard, Interior Minister Ricardo Garcia said that it was tense and focused on the institutional development being carried out by the government. The minister also said that the government is studying the declaration issued by the bishops regarding the causes of violence and that, therefore, it will not make a statement about that declaration for the time being.

Gelbard, Fresno Meet

PY172234 Santiago Radio Chilena in Spanish 1700 GMT 17 Jul 86

[Excerpt] Robert Gelbard, U.S. deputy assistant secretary for Inter-American affairs, met today for about an hour with Cardinal Juan Francisco Fresno in the Santiago Archbishopric. This meeting was attended by Msgrs Sergio Vale and (Christian Tress) and U.S. Ambassador Harry Barnes.

Mr Gelbard told the press that Cardinal Fresno is highly respected in the United States, because he wants the best for his country through a peaceful transition to democracy. At the meeting Msgr Fresno and Mr Gelbard talked about the situation in the country and about the National Accord for the transition to full democracy.

In other matters, the Santiago Archbishopric released the following declaration: Asked his opinion on the National Accord by EL MERCURIO, U.S. Senator Jesse Helms said that he understood that this document, quote was an initiative of the U.S. Department of State that was channeled through Cardinal Fresno, unquote. The Santiago Archbishopric feels duty-bound to categorically deny Helm's statement, because it does not reflect the true facts. [passage omitted]

PDC REJECTS AGREEMENT, ALLIANCE WITH PCCH

PY180337 Santiago Radio Chilena in Spanish 2300 GMT 17 Jul 86

[Text] The National Directorate of the Christian Democratic Party issued today the following declaration, which is now read verbatim:

Having analyzed the implications of the declaration made by Jose Sanfuentes, secretary general of the Popular Democratic Movement, in an interview published in the newspaper EL MERCURIO on 13 July, the National Directorate of the Christian Democratic Party feels that it is necessary to point out the following:

1. To ratify and support what has been expressed in that regard by the president of the Christian Democratic Party, Gabriel Valdez, in a press conference held on 14 July, because his statements reflect the unanimous opinion of this National Directorate.

2. Mr Sanfuentes' declaration is deplorable because, on one hand he endorses the peaceful mobilization of the people and, on the other he encourages the use of violent methods.

3. A declaration of this kind does not help the struggle of Chileans to restore their democracy. On the contrary, it provides justification for the strategy being followed by the regime and the image it wants to project.

4. The Christian Democratic Party again expresses its rejection of those positions, and reasserts its attitude not to contemplate political agreements or alliances with the Communist Party of Chile [PCCh].

[Signed] National Directorate of the Christian Democratic Party.

MDP DOCUMENT ON PINOCHET'S CONCEPCION SPEECH

PY180210 Santiago Radio Chilena in Spanish 1700 GMT 17 Jul 86

[Text] The responsibility to react positively and quickly to the democratic demands of the Chilean people rests upon the Armed Forces and the Forces of Order. This statement is contained in a document released by the Popular Democratic Movement [MDP] on the current political situation. German Correa, leader of the MDP, has affirmed that the formal announcement, made by General Pinochet in Concepcion, that he will stay in power until the year 2000 [as heard] has serious ramifications, because it will drive the Armed Forces into an imminent confrontation with the Chilean people. In view of that announcement, the MDP leader emphasized the need to reject initiatives which seek to exclude any sector.

[Begin Correa recording] We are deeply aware of the seriousness of the situation we face. We and the opposition forces have the responsibility to overcome all obstacles standing in the way of unity. We must understand that this is not the time to play along with Pinochet by insisting on initiatives which exclude any sector, or attempting to impose conditions that cannot be accepted. We are moved by nothing other than our understanding of the suffering of our people, who demand the unity of the opposition to accelerate the end of the regime. [end recording]

German Correa added that the Armed Forces have a crucial role in this process of seeking democratic understanding.

[Begin Correa recording] The Armed Forces and the forces of order have the responsibility to positively and quickly react to the democratic demands of the Chilean people. Otherwise, they will inevitably be dragged into a fratricidal confrontation with their own people, just to please the personal ambition of Pinochet to perpetuate himself in power. We call on the Armed Forces and the forces of order not to continue blindly opposing the struggle of their people for liberty. We call on them not to use firearms against their people and not to debase themselves with the brutal repression on illegitimate orders from Pinochet, who led some Armed Forces members to commit the atrocity of burning Chilean youths who were only demanding freedom and a future of well-being and peace. [end recording]

After emphasizing the conciliatory efforts of the Chilean bishops, German Correa affirmed that the MDP commits itself to try to stop the violence that is rampant in the country.

NEW NATIONAL CIVIC ASSEMBLY COORDINATOR NAMED

PY180243 Santiago Radio Chilena in Spanish 2300 GMT 17 Jul 86

[Text] Thirteen leaders of the National Civic Assembly remain in the Capuchino Jail Annex, charged with alleged violations of the State Internal Security Law for calling the 2-3 July stoppage.

One of the detainees is the national president of the Professors College, Osvaldo Verdugo.

The Santiago Provincial Council of the Professsors College has decided to pay mass a visit to the Capuchino Jail Annex this weekend and to call community assemblies during the next few days as a form of mobilization by professors.

Doctor Ricardo Bacareza, president of the Metropolitan Council of the Physicians College of Chile, has just assumed the post of coordinator of the National Civic Assembly, since all the top leaders of the organization are now in custody and indicted in connection with a suit filed against them by the government. Dr Bacareza had been appointed coordinator of the National Civic Assembly by the Federation of Professional Colleges of Chile, a class association that is in charge of coordinating this organization.

BOMB EXPLODES NEAR LA MONEDA PALACE: NO INJURIES

PY171509 Madrid EFE in Spanish 1437 GMT 17 Jul 86

[Text] Santiago, 17 Jul (EFE) -- A bomb exploded today at 0047 near the La Moneda Palace, the Chilean Government headquarters in downtown Santiago, causing only material damage. The bomb exploded on Valentin Letelier Street at the doorstep of a business about 100 meters from the Government Palace. The explosion destroyed part of the premises metal screen door and broke some windows. There was no report of casualties.

ARSENAL FOUND AT TALCAHUANO UNIVERSITY

PY171818 Santiago LA TERCERA DE LA HORA in Spanish 17 Jul 86 p 14

[Text] Talcahuano -- Inflammable material and blunt instruments have been found in the office of the Student Federation of the Catholic University in Talcahuano (FEUCT). The details were given yesterday in a communique released by the headquarters of the Talcahuano, Penco, and Tome State of Emergency Zone.

It was reported that a security check was made on 9 July throughout all the neighboring areas of the La Tortuga Coliseum prior to a visit by President Pinochet.

The communique adds that permission for the inspection was requested from FEUCT Principal Homero Larrain.

In the FEUCT offices "the authorities found many materials necessary for the preparation of incendiary bombs, including acids, inflammable liquids, and fuses. They also found blunt instruments, sticks, chains, slings, rocks, and tire piercers that could be used against buses, as well as ski masks and many medical supplies needed for a clandestine first-aid clinic."

FARC'S ARENAS SAYS TRUCE 'IN PERIL'; ARMY DENIES

PA170244 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 15 Jul 86

[Text] Bogota -- The Colombian Ministry of Defense has confirmed that the Army clashed with FARC fronts in several departments. According to Army sources, the rebels ambushed military patrols. During these clashes, the guerrillas sustained at least 10 casualties. The fiercest clash took place in the Medellin sector of [name indistinct] and Meta. FARC members attacked a military group, but the offensive was repelled. Here, (?eight) rebels were killed. Operations continue in the region. Other clashes were reported in Caqueta, Antioquia, and Santander, in which the subversives sustained several casualties.

The Patriotic Union, the FARC's political wing, has said that the Army has started an offensive against several fronts in (Cagua).

Speaking on behalf of the guerrilla group's general staff, Jacobo Arenas said that the truce is in peril, and charged that combat planes are flying over the refuges of FARC leaders in a harassment operation.

The Army spokesman denied the FARC reports and said that the operations are the result of the guerrilla attacks.

SUBCOMMISSION REVIEWS CHARGES AGAINST PRESIDENT

PA172348 Bogota Television Service in Spanish 0000 GMT 17 Jul 86

[Text] Seven months ago, citizens Antonio Quinonez, Eduardo Fonseca, and Alvaro Sanchez, and more recently Attorney General Carlos Jimenez, filed charges against President Betancur and Defense Minister Miguel Vega before the Chamber of representatives Arraignment Commission [Comision de Acusacion]. According to the complainants, both the president and the minister abused their authority in recovering the Justice Palace after the M-19 occupied it by force.

A subcommission headed by Carlos Mauro Hoyos, which is investigating the charges, has found the accusations to be legally and politically unfounded and consequently has recommended dropping the charges against the president and the minister and, naturally, that they not be tried.

[Begin Hoyos recording] In this case, we have concluded that it was a typical action carried out by the government -- by the president of the republic -- under circumstances affecting the public order. [end recording]

According to the members of the subcommission, the charges should be dismissed. However, it is up to the Chamber of Representatives Arraignment Commission to decide whether or not to follow the recommendation. In any event, the commission will most likely dismiss the charges against the president and the defense minister.

ARMED FORCES OPPOSE AMNESTY FOR VARGAS, BUCARAM

PA180034 Quito Voz de los Andes in Spanish 1130 GMT 17 Jul 86

[Text] The Armed Forces have issued a statement against the possibility of granting policy amnesty to Abdala Bucaram [former mayor of Guayaquil] and Frank Vargas [former Air Force commander].

The military communique reads as follows:

In the face of several statements concerning eventual amnesties, the Armed Forces consider it their duty to state the following to the Ecuadoran people:

The Armed Forces are absolutely apolitical and have no intention of harming any Ecuadoran citizen. However, it is their duty to guarantee respect for the state's juridical order and to safeguard the institution's dignity and stability.

The current Constitution specifies that the National Congress can grant general amnesty for politiccal crimes in Article 59, clause K. Lieutenant Colonel Frank Vargas and Lawyer Abdala Bucaram -- who would supposedly be granted the amnesties -- have been charged by the judicial authorities not with political, but with military and common crimes, following the proper procedures, before competent judges, in accordance with the laws on the subject.

Consequently, in the case of the aforementioned citizens, a political amnesty is not applicable.

The Armed Forces must be loyal to the nation and therefore will vigorously defend its existence, structures, and constitutional order.

BRIEFS

OIL CONTRACT TERMINATED -- The Ecuadoran State Petroleum Corporation, CEPE, has terminated a contract with the Jamaica Company to sell it 12,000 barrels of crude oil per day, due to the company's failure to make monthly shipments in April. A long-term contract will be signed with the ENAP Company of Chile to sell it 2,000 barrels per day up to December and 4,000 barrels per day beginning in January 1987. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 15 Jun 86 PA]

IMPORTANT OIL DISCOVERY -- The CEPE [Ecuadoran State Petroleum Corporation] - Texaco Consortium has officially announced the discovery of approximately 60 million barrels of petroleum reserves in the Huanta field. The discovery, which is the most important so far this year, is located in (La Amazonia), north of the CEPE-Texaco joint operation area. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 24 Jun 86 PA]

COMMITTEE HEARS DANISH SHIP ARMS CASE REPORT

PY171618 Madrid EFE in Spanish 0205 GMT 17 Jul 86

[Text] Lima, 16 Jul (EFE) -- According to a report submitted by the Navy and Foreign Ministries, the Danish ship Pia Vesta was carrying weapons, and the company which chartered it -- Shipping, of Copenhagen -- wanted to conceal the nature of its cargo and destination.

The report was read here today during a session of the Congressional Standing Committee, which ordered an investigation into the case just a few days after another investigation, conducted in Panama, had revealed that the Pia Vesta had been in Peruvian waters in early June.

The report adds that the shipping company declared that the cargo, which consisted of 99 packages that included 32 special trucks, replacement parts, equipment, and several accessories, with a total weight of 204,300 kg, was to be transported from the GDR port of Rostock to the Peruvian capital port of El Callao.

The report says that when the Panamanian authorities decided to conduct an investigation while the ship was in Balboa, the Pia Vesta was found to be carrying, in addition to the 32 trucks, 1,500 light automatic rifles and 1,500 antitank grenades.

According to the report, the cargo documents, allegedly issued in Rostock, are incomplete and contradictory and "should not have passed unnoticed by the captain of the ship, who has more than 30 years of experience." The report adds that the captain tacitly accepted a cargo with inappropriate documents.

It has been confirmed that some documents were forged, like the certificate allegedly issued by the Peruvian naval attache to the Peruvian Embassy in Washington. The signature of Rear Admiral Julio de los Rios, which erroneouly made him appear as the naval attache, was also forged.

The report adds that other intelligence agency reports and information provided by Peruvian foreign missions aboard are awaiting analysis to supplement "the conclusions on the weapons smuggling case."

Foreign Minister Allan Wagner on 11 July said that the Pia Vesta did not anchor at any Peruvian port and that it did not unload any cargo in Peruvian territory.

Press reports have said that the ship might have unloaded arms in Peru.

CABELLO INSTALLED AS REPUBLICAN GUARD DIRECTOR

PY161328 Lima Canal 9 Television in Spanish 0315 GMT 16 Jul 86

[Text] Interior Minister Abel Salinas this morning presided over a ceremony during which General Faber Oscar Cabello Caceres was installed as superior director [director superior] of the Republican Guard. Cabello Caceres, formerly the Republican Guard director general, demanded irreproachable conduct from the force.

Salinas, who arrived at 1100 at the Republican Guard headquarters in Rimac district, was received by police Superior Director Lieutenant General Carlos Rodriguez Tirado. The officer in charge of the ceremony asked the interior minister for permission to begin the formal act. After saluting the flag and singing the national anthem, a member of the force read the decree declaring that the post of Republican Guard superior director has been vacant since the dismissal of General Maximo Martinez Lira.

TERRORISTS ATTACK 3 BUILDINGS IN LIMA

PY172026 Madrid EFE in Spanish 1605 GMT 17 Jul 86

[Text] Lima, 17 Jul (EFE) -- Some terrorists last night bombed the electoral registry in the Lima district of Villa El Salvador and a state-run restaurant in Santa Marina, in El Callao sector, port of Lima.

According to eyewitnesses, the terrorists managed to enter the electoral registry and took approximately 100 blank ballots and other material related to the municipal elections, scheduled for November 1986.

The attackers entered the building after hurling some explosives against the front door.

In Santa Marina, the Virgen de Fatima restaurant was also damaged; one person was slightly injured.

A building of the state enterprise "Centromin Peru" was also attacked. These three attacks took place within half an hour of each other, and occurred 2 hours before the curfew, which begins at 0100 in Lima and Callao.

DRUG TRAFFICKERS KILL PEASANTS IN HUANUCO

PY180125 Madrid EFE in Spanish 2340 GMT 17 Jul 86

[Excerpt] Lima, 17 Jul (EFE) -- Four peasants were killed and a policeman wounded during an attack perpetrated by drug traffickers against workers of a project sponsored by the Peruvian Government. The program is designed to eradicate the coca crop in Huanuco Department, in northern Peru.

It was reported in Lima today that some 40 drug traffickers used rifles and grenades to attack a group of 150 peasants. The peasants were destroying the clandestine coca crops to replace them with other crops; they were protected by police patrols.

The deaths of the 4 peasants brings to 23 the number of people killed as a result of the attacks perpetrated by drug traffickers against the workers who are erradicating the coca crops. [passage omitted]

BRIEFS

INFLATION RATE -- The National Institute of Statistics has reported that inflation for the first half of 1986 stands at 28.5 percent. [Excerpt] [Lima EL COMERCIO in Spanish 2 Jul 86 p A1 PY]

PRESIDENT ANNOUNCES CANAL RIGHTS CAMPAIGN

PA180006 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jul 86 pp A-1, A-12

[Excerpt] President Eric Arturo Delvalle has announced the launching of an international campaign, in every forum necessary, to express Panama's need for justice and the correct interpretation of the Torrijos-Carter Treeaties. He announced this after listening to a detailed report submitted by Oyden Ortega on the recent meeting of the Canal Commission Board of Directors, during the Cabinet meeting held yesterday, 15 July, at the Presidential Palace.

The Panamanian members of the Canal Commission and the main leaders of the parties that comprise the National Democratic Union, UNADE -- Carlos Eleta Almaran, Ramon Sieiro, Alberto Arango, Romulo Escobar Bethancourt and Carlos Velarde -- attended the Cabinet meeting.

President Delvalle said it is necessary to appoint several commissions formed of distinguished members of the parties that comprise the UNADE, who are familiar with the subject, to analyze various issues related to letter and spirit implementation of the Torrijos-Carter Treaties. This includes Law 96-70, approved by the U.S. Congress, which is causing so many problems for the country, the widening of the Culebra Cut, and the correct use of the reverted areas, especially those linked to housing segregation and accounting.

With the findings of these commissions, President Delvalle said, we will be in a real position to plan what we are going to do about the implementation of the treaties. He said: "We are going to be in a position to operate the canal in the year 2000, and we are going to see that our rights are respected."

He also announced that there will be a permanent dialogue with our representatives on the Canal Commission Board of Directors -- whom he congratulated for the patriotic job they are doing -- so that when they attend the Canal Commission meetings, they will feel sure that here are 2.5 million Panamanians supporting them.

Finally, President Devvalle criticized the North Americans' self-serving explanation for denying Panama the 10 million balboas it is entitled to annually, according to the Torrijos-Carter Treaties. "It is really a shame and a pity," he said. [passage omitted]

PAPO CCALLS FOR 'NATIONAL REORGANIZATION'

PA162105 Panama City LA PRENSA in Spanish 15 Jul 86 p 9-A

[Excerpt] The People's Action Party (PAPO) has issued a communique saying that Panama is immersed in a state of disease and physical, mental, and social decay, problems which are the responsibility of the government.

Due to this situation, the PAPO believes what is urgently needed is a national reorganization, which should be carried out by a national constituent assembly called by a provisional government made up of the decent people in the country. [passage omitted]

ESQUIVEL DISCUSSES ECONOMY, FOREIGN POLICY

FL172204 Bridgetown CANA in English 2021 GMT 17 Jul 86

[Text] Bridgetown, Barbados, July 17, CANA -- The Belize Government has reported progress in its efforts to diversify the economy. Prime Minister Manuel Esquivel said the 19-month old government has been active with the aid agencies such as the United States Agency for International Development (USAID), the European Community, and the World Bank plus Britain in steering Belize away from dependence on sugar.

He specifically mentioned efforts to increase vegetable production. Citrus has been doing very well these past two years, and we are grateful that, very soon, we may see the start of a large citrus production, particularly as a result of the Coca Cola foods investment, Esquivel said in an interview with Caricom perspective, published by the Caricom Secretariat. Coca Cola last year acquired more than 50,000 acres of land for citrus production.

The Belize prime minister said, however, that while banana production was showing progress, the sugar industry was still plagued with problems. Last year there was a cutback in production, the price of course was also very very low, so there was a significant drop in export earnings. This year and, henceforth, sugar earnings are going to be low, because the industry is now pegged at about 80,000 tons production a year, Esquivel said.

Esquivel said there had been an improvement in the country's fiscal position which he described as very weak when his United Democratic Party administration assumed office in December 1984. Our payment situation was really critical, we found ourselves in a position of having 12.5 million dollars in debt arrears, and at the very beginning of our earnest readjustment programme. All of this fell into our lap. We've been struggling in those 15 months to honour that situation. Happily we have succeeded, Esquivel said. He said Belize had cleared the arrears of debt, was up to date in its debt payments, and would soon complete its programme with the International Monetary Fund.

In the area of foreign policy, Esquivel said Belize had been trying to become more active in the Caribbean at a purely political level and alluded to high-level representation at Caricom meetings and participation in the Caribbean Democratic union, a grouping of right-wing political parties in the region. The prime minister said Belize was also actively seeking to become more involved with the Central American countries, having overcome its reluctance as a result of the long-standing territorial dispute with neighbouring Guatemala.

He said the country's population problems had worsened because of the high level of immigration by Central Americans fleeing political violence. (?This) is why we are so determined to attract investments in Belize. We have a small market, we have a small economy and a very small pool of money. If we going to grow, it will have to be by outside investment capital, Esquivel said.

He said Belize's relationship with the United States was fundamentally not government to government, but business to business. That is, we have established links with business communities in Houston, Miami, Los Angeles, etc., where we are trying to develop interest in Belize and encourage investment from that area, Esquivel said.

EL SALVADOR

18 U.S. PRIESTS, UK NEWSMAN ARRESTED IN SUCHITOTO

PA172129 San Salvador LA PRENSA GRAFICA in Spanish 17 Jul 86 p 15

[Text] About 18 U.S. Catholic clergymen and 1 British journalist were arrested yesterday in Aguacayo, Suchitoto.

On 15 July they were accompanying approximately 600 persons who had been relocated from this area to San Salvador, but who had decided to return to Aguacayo.

The U.S. clergymen supported the movement of the displaced persons and went to Aguacayo on 15 July.

Richard Haward is among the U.S. clergymen who were arrested, and the arrested British journalist is Raul Shade Seiko.

None of them had authorization to enter this area, which is considered very dangerous, as the Army is searching for terrorist redoubts as part of its "Operation Phoenix," which is being run from Guazapa.

The displaced persons traveled on their own, and the clergymen joined the caravan. Neither the clergymen nor the British journalist had safe-conduct permits, and therefore the Army decided to do something, the military spokesmen said.

All of the clergymen come from California and are led by Father Richard Haward and Jesuit priest Michael Campbell, who is another of the priests who were arrested and might be released shortly.

We consulted military sources from Suchitoto and San Salvador concerning the arrests. We were told that the Construction of El Salvador prohibIts foreigners from meddling in Salvadoran affairs.

The Constitution also bans Salvadorans from meddling in political issues of other countries in the manner that the California priests have done, which led to their arrest in Suchitoto.

The military authorities arrested the priests and the British journalist who were going to Suchitoto.

Expelled To Guatemala

PA172148 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 17 Jul 86

[Report by Raul Beltran]

[Text] Good afternoon to the YSkL audience. As we have been reporting since yesterday morning, when a group of U.S. religious persons was arrested, we want to report that at this time the 24 foreigners, most of them U.S. citizens, are already on their way by land to the border between Guatemala and El Salvador. They have been expelled by the government of the Republic. We repeat, the government of the Republic, in accordance with provisions in the immigrations laws, has decided today to expel from El Salvador 24 foreigners, including 22 U.S. citizens and 2 Canadian citizens.

According to a report from official spokesmen, who asked not to be identified, they have violated the laws of this country -- among them the immigration laws -- have abused the civilian authorities, and have endangered the lives of more than 300 Salvadorans by taking them without any consultation to a conflict-ridden area in the northern part of Cuscatlan Department.

Likewise, diplomatic sources accredited in this capital have also confirmed that today, at approximately 1100, the 24 foreign citizens were taken out of the Treasury Police quarters, where they had spent last night. The 24 foreigners have been sent to the border between Guatemala and El Salvador, and once they reach Guatemalan territory they will travel to the United States. According to the information Radio Caden YSKL has received, this is the first mass expulsion of U.S. citizens that has occurred since the conflict in El Salvador intensified. We should also mention that a U.S. Embassy official accompanied the delegation of the 24 foreigners traveling by land to the border with Guatemala.

Gen Blandon Comments

PA172136 San Salvador Radio Cadena YSU in Spanish 1530 GMT 17 Jul 86

[Statement by General Adolfo Blandon, chairman of the Salvadoran Joint Chiefs of Staff on 17 July -- live or recorded; monitored in progress]

[Text] ...there are 24 people who are in the hands of the immigration authorities at the Treasury Police. Without authorization, they entered an area of conflict that is under military control. This area is being used for a permanent military operation. They risked the lives of more than 300 people, using the excuse that they were going to repopulate the area of Aguacayo and El Barillo. The Army implemented a Marshall Plan in that area and we are currently holding a census on all the people who had left Aguacayo. We have the means to help them repair their homes and begin working their land. The foreigners came here unexpectedly, took several families from the shelters, and surprised the Suchitoto authorities. These people were detained in Aguacayo. As I said earlier, these 24 people, including 2 Canadians and I believe 2 Salvadorans also, are in the hands of the immigration authorities and they will have to leave the country today because they had not been authorized to enter the area.

REY PRENDES REJECTS DEBATE PROPOSED BY FMLN

PA180028 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Jul 86

[Text] At noon today Julio Adolfo Rey Prendes, minister of culture and communications, rejected the proposal for a debate on a national radio and television network that was announced last night by the guerrillas on their radio station. Regarding this matter, the minister of culture and communications stated the following:

REY PRENDES REJECTS DEBATE PROPOSED BY FMLN

PA180028 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Jul 86

[Text] At noon today Julio Adolfo Rey Prendes, minister of culture and communications, rejected the proposal for a debate on a national radio and television network that was announced last night by the guerillas on their radio station. Regarding this matter, the minister of culture and communications stated the following:

[Begin recording] [Rey Prendes] President Duarte has already given his opinion on the subject. I would not like to say anything until I talk with the president, because I am a Cabinet member. The only thing I can say is that we are worried about the dialogue becoming a forum, a debate, a publicity show, or a publicity competition.

If we use a forum for a public discussion, much publicity and propaganda would be created by both sectors. This does not mean that this could not be possible on another occasion, but now we want to work in private, without the pressure from the national or international public. We want to sit down quietly to seek the roads for peace and to try to settle the conflict. What they want has nothing to do with the search for peace. They are proposing a competition to see who can create the most publicity, who can speak better or who can offer the prettiest things to the Salvadoran people.

[Reporter] The guerrillas have said that President Duarte stated that he would like to see Shafik Handal face to face with Joaquin Villalobos, and they have also said that this debate would be different from a dialogue.

[Rey Prendes] But that is what I am saying. We are working on a dialogue, and this is something different. If they are two different things, we have to study them at different times and not when we are seeking the mechanisms for a dialogue. [end recording]

These were statements by Julio Adolfo Rey Prendes, minister of culture and communications, who refrained from making any more comments regarding a proposal for a national debate which was announced by Radio Venceremos last night and in which they suggest the presence of Guillermo Manuel Ungo, Ruben Zamora, Shafik Handal, Joaquin Villalobos, and four top-ranking government officials.

VENCEREMOS ON ARMY COOPERATION WITH HONDURAS

PA170304 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jul 86

[Text] Attention, attention, we have just received an important report. Arce Battalion units, which are located in the northern zone of San Miguel, are operating both in Salvadoran and Honduran territory. Attention to this report:

Arce Battalion units, led by Colonel Mauricio Staben, have currently taken up positions in Honduran territory. Confirmed reports reveal that the Arce Battalion troops are inside Honduran territory, at the following places: El Jicaro, El Junquillo, La Junta, and San Juan. All are located on the border with San Miguel Department, separated by the Torola River, which defines the border between the two countries. The Arce Battalion troops are posted in Honduran and Salvadoran territory.

The Salvadoran Army has entered Honduran territory and this is well known by the Honduran Army's command. All this was coordinated some time ago to avoid a possible clash between the two armies. The report indicates that Honduran Army troops have joined the Arce Battalion troops, cooperating and coordinating this operation in the border areas north of San Miguel Department and inside Honduran territory.

The information adds that the battalion chief in Marcala, Honduras, is the one in charge of coordinating the Honduran Army's actions with the Salvadoran troops, which maintain positions inside Honduran territory. The action is being carried shortly after it was reported that Honduran troops penetrated Salvadoran territory in the zone of Arcatao, Chalatenango Department, where they wounded several Salvadoran citizens, including children, living in Arcatao jurisdiction.

This confirms the Honduran Army's presence and direct participation in the operations that the Salvadoran Army is currently carrying out in the border zone. The Honduran Army is already participating in the Reagan administration's plans, and has been instructed to cooperate with the beaten Salvadoran Army. We will continue to report on the situation which has arisen in the northern San Miguel Department and Honduran territory.

GUATEMALA

ECONOMY MINISTER CONFIRMS TRADE SUSPENSION

PA172357 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 17 Jul 86

[Text] The Economy Minister has confirmed the suspension of Guatemalan exports to Costa Rica. Ministry officials said that a process of negotiations at the government and Central Bank levels in Central America is underway to resolve existing trade and economic problems. This is a dialogue that has not concluded, they said, and thus, the Costa Rican decision has caught the Guatemalan Government by surprise.

The Guatemalan economy minister will head the delegation that will leave for Costa Rica right away to attend a meeting that was scheduled at a recent meeting held in Guatemala. Economy experts and Central Bank executives are also members of the delegation that will attend this meeting. Its agenda was expanded because of the Costa Rican decision to close its borders to Guatemalan exports.

Guatemalan officials do not believe in the justification used by Costa Rica to close its borders. According to that country, this measure was taken because Guatemala was late to the meeting that was already convoked. However, Guatemalan officials said that the country's tardiness was justified.

Guatemala's debt, estimated at 70 million Central American pesos, will be paid through special mechanisms that will include a periodic amortization. However, these mechanisms will be established at a meeting of Central Bank executives to begin in San Jose today, or tomorrow, at the latest. Local officials said that the Central American trade, which will be discussed by the economy ministers, shows a surplus in favor of Guatemala because its exports surpass the imports from these countries. If no agreement is reached, Guatemala will close its border to Costa Rican trade.

We do not believe in extremes, but Guatemala would be forced to take reciprocal measures if Costa Rica decides not to reconsider the measures to close the border to Guatemalan exports, the Guatemalan deputy minister for economic integration noted.

According to certain economists, there is intransigence and pressure on the part of Costa Rican production and government sectors. But all this will be resolved through a dialogue and the implementation of correct measures for the establishment of reciprocal commitments, particularly regarding debts and the payment of them.

NICARAGUA

INTERSPUTNIK SYSTEM DEDICATED WITH USSR

PA171841 Managua Domestic Service in Spanish 1815 GMT 17 Jul 86

[Text] We would like to announce that the Intersputnik system between Nicaragua and the socialist countries was dedicated a few minutes ago. The ceremony was presided over by Companero and Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, and the vice president of the Republic. The Soviet communications minister [Vasily Aleksandrovich Shamshin] also attended this beautiful ceremony of solidarity between the Soviet people and government with the Nicaraguan people and Government. Thus, we now have an Intersputnik system to improve our communications with Europe.

EPS HEADERS DISCUSS RESPONSE TO CONTRA AID

Capt Wheelock on Airspace

PA172152 Managua Radio Sandino in Spanish 1938 GMT 17 Jul 86

[Text] Captain Ricardo Wheelock, chief of EPS military intelligence, today held a news conference to give details of the military situation in the past 6 months. Wheelock said that an important factor was the EPS tactical defeat of the FDN forces carrying out criminal operations in the 5th Military Region. Wheelock said that the CIA instructed the FDN to operate in Chontales, but since it was unable to carry this out they have gone back to the old 1983 plan of operating in Jinotega and Matagalpa.

The military intelligence chief detailed the military actions carried out by the United States which include the Air Force, the Navy, and the supply of military materiel to the Central American Armies. Nicaraguan airspace will be closed tomorrow, and any airplane that tries to enter Nicaraguan airspace without permission will be downed by antiaircraft artillery, EPS military intelligence chief Ricardo Wheelock said. We will now present part of the military report given by Capt Ricardo Wheelock:

[Begin recording] From our viewpoint, the following is much more important because it gives them some tactical and operational capacity. That is the constant supply by the U.S. forces of intelligence data gathered by the technical means of the U.S. Army, Navy, and Air Force which is then delivered to a CIA information center which then passes it to the FDN forces.

During this year, the United States has carried out 121 espionage flights against the Republic of Nicaragua. I will briefly describe to you in general the functions of some of these planes. For example, there is the RC-135 airplane. This airplane has carried out 47 flights in the past 6 months. Through this airplane, the United States gathers, like a vacuum cleaner, all the electromagnetic spectrum of Nicaragua. In other words, it listens to radio, and telephone calls, telex, and everything that is in the electromagnetic spectrum. In addition, this aircraft's radiogoniometer marks the location of the EPS radio stations. This permits them to have a daily picture of the EPS radio stations. This permits them to have a daily picture of the EPS troops. It is evident to us that this radiography of our troops' deployment is delivered to the FDN.

They flew 13 missions with the U-2 or TR-1 aircraft, which is equipped to carry out strategic radio location and photography operations. That is to say, with these aircraft, they have photographed all those elements such as airports, sea ports, and military units to be able to neutralize us. We must say -- for the good of photographers -- that this aircraft's cameras have a resolution capacity of 50 cm. That is to say, if I get out of this building while one of these U-2 aircraft passes overhead to observe the Intelsat satellite, excuse me, I mean the Intersputnik communications center, the picture taken by this aircraft's cameras can tell whether I have shaved or not. Such is the resolution ability of these cameras.

Many other flights have taken place using C-130 aircraft. As of 12 July, 121 flights over the area have taken place. Many of these flights violate international law, according to the United States, by flying less than 12 miles from the Nicaraguan coast. Some of these missions have been flown six miles from the Nicaraguan coast and, with imperialist arrogance, so low they could have easily been within the range of the EPS antiaircraft guns.

I was saying that the U.S. military presence [words indistinct] but also with the flights from Honduras and Costa Rica against our territory, violating our airspace as follows:

From Honduras, as of 11 July there were 152 flights of the following nature: 23 flights to supply counterrevolutionaries and tactical surveillance flights by U.S. planes. They have since been using two planes of the type that were used in Vietnam. One of the planes is known as the U-21 F. This plane is used to tactically locate troop positions. The other plane, which is also a U.S.-made plane, is the VE-1. They also use Honduran Air Force resources, small twin-engine planes, and helicopters. There were a total of 152 flights, and 100 percent of these flights took place over the war zones: the 1st Military Region, the 6th Military Region, and the 7th Military Region.

From Honduras, the Central American [word indistinct] we have had 161 flights. But we have had more tactical espionage flights from Costa Rica than from Honduras.

Also, there were flights, one of them was in fact an air attack. One of the flights was an air attack. There have been refueling and exploration flights. In all, the contras, the United States, or the countries I have already mentioned have conducted 313 flights in all.

The U.S. military presence in Honduras has allowed them to build the following (?installations): They have built four helipads in Garcia a Dios and Olancho Departments; docks, fuel depots, and two landing strips were built; landing strips were expanded. In southern Honduras, radar complexes were established which point at the Republic of Nicaragua and which are in Tigre Island, Choluteca, San Marcos de Colon, [name indistinct] hill. A canal was dug in Charatasca Lake. The Palmerola Air Force Base was expanded. Landing strips were built in Costa Rica. Highways were built in the area along the border with Costa Rica as well as along the border with Honduras.

Also, Honduras received nine sets of communications equipment in addition to the following war materiel. I am not going to give quantities, I am just going to give a listing: 155-mm [words indistinct], 106.7-mm mortars, infrared scopes, A-37 airplanes, over 30 CH-135 helicopters, [words indistinct]. Costa Rica received patrol boats. Honduras got lighting systems and radio direction finders as well as large quantities of parts, ammunitions, and rockets. Anti-insurgency contingents, a radar squad, and an artillery school were created in Honduras. As for Costa Rica, an antiterrorist commando unit was established in San Jose, Costa Rica.

It is also worth mentioning that U.S. forces will deliver over 74 helicopters to El Salvador, which greatly enhances the capacity to transport troops by air. [Words indistinct] is one of the most important aspects of the U.S. presence.

Looking back to 1983, we can clearly see that the U.S. Army, that is, the U.S. Armed Forces, the U.S. intelligence and Government have been gradually aggravating the Central American problem from military, political, economic, and diplomatic viewpoints, as well as from all the angles of the problem.

Briefly, let us now mention some broad ideas, because we are not going to provide the information we have on the FDN and the counterrevolutionary forces. We can say in general terms that the counterrevolutionaries do not add up to 9,000 men, and the FDN does not add up to 8,000. What has the FDN done up to 8 July 1986? As you will notice in the cases we have referred to, the FDN has not carried out one single important military action. It has not occupied any town, not even a small village. In the wide field in which it has been operating, the field of operations which we have reduced, the only thing that the FDN can account for are actions considered by international law as terrorist acts.

We can honestly report that the EPS has managed in the past years to reduce the FDN's field of operations by many kilometers and also the counterrevolutionary forces and the FDN also [words indistinct].

The FDN's [word indistinct] plan was conceived aiming at Military Region No. 5 as its target, which comprises Chontales, Boaco, and the southern part of Zelaya Department, as its strategic goal. But since it could not carry out its plans because of our troops' presence, it decided to return to its 1983-1984 plan, which had Matagalpa and Jinotega as its target. What does it mean? It means that forces of the Jorge Salazar Rask Force have been pulled out from Boaco and Chontales, to participate in the Matagalpa-Jinotega operation.

[Words indistinct] casualties of the FDN up to 8 July 1986: 2,919 dead, 992 wounded,, and 333 prisoners. This makes a total of 4,248 casualties [figures as heard]. The EPS casualties are: 116 dead, 85 wounded, and 233 kidnapped, for a total of 434 casualties. This is a general outline of the most important aspects of the military situation. [end recording]

Hugo Torres on U.S. Army Moves

PA170159 Managua Radio Sandino in Spanish 1200 GMT 15 Jul 86

[Text] The Sandinist defense forces are ready to face whatever situation may arise from the assignment of funds to the counterrevolutionaries. Hugo Torres, chief of the EPS Political Directorate, has stated that because the assignment of funds to the counterrevolutionaries could have unpredictable consequences, the Sandinist defense forces have already drawn up a military strategy and are making a giant effort to face the worst kind of situation.

Speaking to ANN, the Sandinist leader alerted the Nicaraguan people to the recent moves the U.S. Army has been making near the Nicaraguan coasts, moves that have growing support from Central American countries. He said that recently, the 82d Airborne Division of the U.S. Army [as heard], based in Fort Bragg, North Carolina, has approached on several occasions near Nicaraguan points, and military spokesmen have warned about the presence of (ACR-24) ships and U.S. frigates in the Pacific.

Commander Torres reported that this year there have been 122 exploration flights by (RC-135), (S-130), U-2, and C-130 U.S. airplanes gathering intelligence for the counterrevolutionaries.

Referring to growing U.S. military preparations, Torres mentioned the recent expansion in Honduras of airfields that are only a few kilometers from the Nicaraguan border; C-130 and C-141 planes can land in those fields.

He also said that since 1981 some 80,000 U.S. troops have participated in the military maneuvers that U.S. and Honduran soldiers have been holding in Honduras.

In spite of continuous harassment from the reactionary forces being supported by the U.S. Government, the Nicaraguan Army has been defeating them at the strategic level, Commander Torres said. He noted that in 1985 the EPS inflicted 6,000 casualties on the contras.

The Sandinist defense is aimed at confronting, resisting, and defeating any eventual U.S. invasion, and our forces are always on the alert, Commander Torres told ANN. Commander Torres concluded by stating: We Nicaraguans can celebrate the revolution's anniversary in Esteli or in any other northern city.

ARCE VIEWS U.S. AID FOR C.A. REGION

PA170351 Managua Radio Sandino in Spanish 1930 GMT 16 Jul 86

[Text] Commander Bayardo Arce Castano, deputy coordinator of the FSLN Executive Commission, today thoroughly analyzed the Central American situation during the ceremony to open the Latin American and Caribbean Youth Workshop for Peace and Nnintervention.

Commander Arce said that the Reagan administration's views about the democratization process in the area are groundless if one considers the U.S. arms buildup in Central America in the past few years. The Sandinist leader said that only during the past 4 years, the amount of arms delivered to Central America by the Reagan government equals 89.2 percent of all the arms delivered to the region in the last 32 [as heard] years. On declaring the event open, Commander Arce urged the youth to form a great unity to defend peace and nonintervention. He said that because of the U.S. aggression, the Nicaraguan revolution has cceased to belong only to the Nicaraguans, and now is the heritage of all of Latin America and the continent, this struggle against the U.S. empire. This is a part of speech.

[Begin Arce recording] During its 5 years of dark administration, the Reagan government has sunk the Latin American peoples deeper into poverty, famine, and desperation. Later, when these peoples sought to shape their own destinies and form governments that correspond to their interests and which are not ruled by the intentions of this fundamentalist and neo-Monroe policy of the Reagan administration, it resorted to bombings and indiscriminate repression in El Salvador, the mercenary war against the Nicaraguan people, and open scorn for the dignity of the Honduran people, who see their territory trampled upon by AIDS-carrying troops who foster prostitution.

In one of his cynical and theatrical phrases, Reagan said the following on 14 March 1986: We are trying to establish and strengthen democracy in Central America, because democracy brings peace, and communism brings war. As you see, we are moved by very practical considerations.

Let us examine Mr Reagan's very practical considerations. The United States gave to Central America, including the Somoza regime, $203,611,000 in military aid between 1950 and 1979. But Reagan, who says he brings peace, gave the other Central American countries $1,679,124,000 worth of military aid between 1980 and 1984. This excludes 1985 and 1986. Nor does this include the millions for the counterrevolutionaries. In other words, Reagan gave the four other Central American countries -- in 5 [as heard] years, or between 1980 and 1984 -- an amount equal to 89.2 percent of all the military aid that the United States gave to Central America in 34 years, or between 1950 and 1984, including the aid for the Somoza regime.

Is there a better way to foster militarism and the arms race in Central America? While the United States delivered to the Central American governments $1.679 billion in arms between 1980 and 1984, it delivered only $901 million in economic aid during the same period. This means that more than 60 percent of the U.S. funds earmarked for Central America have been in military aid. As a result of these efforts by Reagan to forcibly subjugate the Central American peoples and surround the Nicaraguan revolution to destroy it, the number of men in the Central American armed forces has increased, between 1977 and 1985, by 360 percent in Guatemala, 160 percent in Honduras, 717 percent in El Salvador, and 396 percent in Costa Rica. Our Central American Switzerland, Costa Rica, increased the number of its armed men from 5,000 in 1980 to 19,800 at present, according to U.S. figures.

This Reagan policy has also forced the Nicaraguan people to give priority status to rifles and tanks over plows and tractors to defend themselves against aggression. We must take into consideration that, in addition to this military cooperation, the Reagan administration has carried out training exercises with its own Marines in Honduran territory, with military engineers in Costa Rica, with great forces in Central America's territorial waters. Nearly 100,000 Marines have passed through the Central American area with an incalculable quantity of arms, (?threatening) the lives of peoples who only long for peace. The United States has flooded Central America with arms and militarism, and is trying to justify this by saying that this is due to the presumed arms race in Nicaragua. Since 1981, Nicaraguan has proposed to the United States 13 points for bilateral negotiations to prevent this situation in Central America. In those points, Nicaragua expressed its willingness to sign nonaggression pacts with all of the Central American countries and to improve its relations with the United States based on mutual respect, clearly setting forth that Nicaragua poses no threat to U.S. security. Nicaragua also clearly established, however, that no Central American country should be considered a U.S. geopolitical reserve.

When we denounced the escalation in the U.S. aggression at the UN Security Council in March 1982, we said we were willing to improve our relations with the United States based on mutual respect and the unconditional recognition of our right to self-determination. We said we were willing to hold direct and frank talks with the U.S. Govenment, even in a third country chosen by common accord, so that these talks could lead to specific results. We proposed a high-level meeting between the Armed Forces chiefs of Honduras and Costa Rica. [sentence as heard]

In August 1982, Commander Daniel Ortega invited the Honduran president to meet with him in Nicaragua to reiterate Nicaragua's desire to reach an accord guaranteeing peace between the two countries. A joint Nicaragua-Costa Rica commission was formed in 1982 to settle possible disagreements between the two countries. During this same month, the Nicaraguan and Costa Rican interior and security ministers met for this purpose. Communication between Mexican and Venezuelan Presidents Jose Lopez Portillo and Luis Herrera Campins occurred in September 1982, precisely because all these efforts were not echoed in the United States.

These two presidents extended an invitation to participate in a dialogue that could contribute toward peace in the region. Nicaragua immediately welcomed this initiative.

This is how the Contadora initiative emerged. The United States has tried to boycott it since its inception by forming the so-called Central American Democratic Community or San Jose Pact, which only a few remember. This organization would include all of the Central American countries, except for Nicaragua. Fortunately, the Latin Americanist spirit that has appeared in our continent made it possible for the Venezuelan, Colombian, Panamanian, and Mexican foreign ministers to meet on Contadora Island on 8 and 9 January. This led to the initiative to seek [station breaks at this point to broadcast unrelated programming]

'MANAGUA DECLARATION' GUARANTEES INDIANS' RIGHTS

PA170431 Managua Sistema Sandinista Televison Network in Spanish 0200 GMT 16 Jul 86

[Text] Nicaragua was recognized today as the first Latin American country that respects multi-ethnic values and Indian rights. This recognition was given today during the closing of the 3-day International Symposium on Indian Status, Autonomy, and Rights held in Managua. During the closing ceremony, the Managua Declaration was also read.

Nicaraguan Vice President Sergio Ramirez and interior minister, Commander of the Revolution Tomas Borge presided over the closing of the symposium. The commissions that discussed topics regarding Indian rights read their conclusions. The reports recognized that the Nicaraguan autonomy bill respects the Indians' historic rights. Likewise, they expressed solidarity with the struggle of the Nicaraguan people for their right to self-determination and sovereignty. The Managua Declaration reads as follows:

[Begin recording of unidentified speaker] Whereas: We recognize that through the autonomy process the Sandinist people's revolutuion is striving to ensure that the Indians and communities from Nicaragua's Atlantic Coast fully exercise their historical rights;

We are truly concerned about the U.S. intentions to destroy Nicaragua's self-determination and to destroy the first example of Indian autonomy in the history of the Americas;

We declare:

1. Our solidarity with the peoples struggling to exert their rights and for their national liberation.

2. Our condemnation of the aggression the Nicaraguan people are experiencing at the hands of U.S. imperialism, as it imperils the survival of the Atlantic coast communities.

3. Our unrestricted support for the defense of the Nicaragua people's sovereignty, which is the sole guarantee that communities of the Nicaraguan Atlantic coast will effectively exert their right to autonomy. [end recording]

PARIS CLUB REPORTEDLY AGREES TO REFINANCE DEBT

PA171610 Buenos Aires REUTER in Spanish 1555 GMT 17 Jul 86

[Text] Paris, 17 Jul (REUTER) -- The Paris Club, made up of Western creditor nations, today agreed to refinance Cuba's debt, diplomatic sources reported here. The source added that the 2-day conversations between the Paris Club and a Cuban delegation headed by the president of the Cuban Central Bank, Hector Rodriguez Llompart, concluded last night with "an agreement to refinance the debt," but no further details were given. The Cuban foreign debt totals $3.5 billion, one-third of which is owed to the Paris bloc.

CASTRO SENDS MESSAGE TO VIETNAM'S TRUONG CHINH

FL172233 Havana Radio Reloj Network in Spanish 2034 GMT 17 Jul 86

[Text] Commander in Chief Fidel Castro has sent a congratulatory message to Truong Chinh on his being elected secretary general of the Vietnamese Communist Party. In his greeting, Fidel noted that the glorious cause of the Vietnamese people will continue to serve as an example and make the world's revolutionaries proud. [passage omitted]

RODRIGUEZ MEETS WITH VIETNAMESE CHAIRMAN

FL170231 Havana Radio Reloj Network in Spanish 0302 GMR 17 Jul 86

[Text] Politburo member Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Vu Dinh Lieu, deputy chairman of the Council of Ministers of the democratic [as heard] Republic of Vietnam. Vu Dinh Lieu, who is also a member of the Communist Party of Vietnam [CPV] Central Committee, is presiding over his country's delegation to the ninth Cuban-Vietnamese intergovernmental commission.

At the start of the meeting with the deputy chairman, Rodriguez expressed his grief at the death of Le Duan, CPV secretary general. During the fraternal meeting in Havana, the two leaders exchanged information on the future development of Cuban-Vietnamese cooperation and their respective economies.

DEPUTY FOREIGN MINISTER MAZOLA VISITS LIBYA

For Libyan coverage of the visit to Tripoli by Giraldo Mazola Collazo, the deputy minister of foreign affairs, including his meeting with Colonel Mu'ammar al-Qadhdhafi, leader of the Socialist People's Libyan Arab Jamahiriyah, see the 17 July Middle East & Africa DAILY REPORT and subsequent issues.

ELECTIONS SCHEDULED FOR 19, 26 OCTOBER

FL170147 Havana Television Service in Spanish 0000 GMT 17 Jul 86

[Excerpt] During its second regular session, the National Electoral Commission said the work schedule for the next elections of the peoples' government is in complaince with the initial program. At this time, voter registration lists are being revised and will be located in public areas. The nomination process will be held 25 August to 15 September, and the elections will be held 19 and 26 October, [passage omitted]

ANTIGUA-BARBUDA

INVESTMENT TREATY NEGOTIATED WITH U.K.

FL171850 Bridgetown CANA in English 1836 GMT 17 July 86

[Text] London, July 17, CANA -- Representatives of the Governments of Antigua and Barbuda and the United Kingdom yesterday completed the first round of negotiations on a bilateral investment treaty in London.

A statement from the islands' High Commission quoted Deputy Prime Minister Lester Bird, who also holds the foreign affairs and economic development portfolios, as saying that Antigua and Barbuda argued for the inclusion of a clause in the treaty which recognized the twin-island state's special relationship with other countries in the Caribbean community.

Bird said this was necessary to ensure that companies and nationals of Caribbean countries investing in Antigua and Barbuda could be granted better treatment than other foreigners.

He said that he had argued for the inclusion of a similar clause when his government settled a bilateral investment treaty with the U.S. last month in Washington.

Bird also stated that he had put forward a paper to Cabinet which proposed the introduction of legislation to retain ownership of land by citizens of Antigua and Barbuda only.

The deputy prime minister reported that yesterday Cabinet agreed to his proposal and following the meeting, he telephoned Hugh Marshall, minister in his ministry, requesting that he circulate draft legislation to the Ministry of Legal Affairs for consideration.

Commenting on the negotiations with the United Kingdom Government yesterday, Bird said that there were eight clauses which required negotiation and, after the first round, these have been reduced to two.

He said he expects that the final round of negotiations will take place before September.

Bird will be back in Antigua by weekend.

DOMINICA

CHARLES DOUBTS CREATION OF CARIBBEAN FEDERATION

FL180014 Bridgetown CANA in English 2311 GMT 17 Jul 86

[Text] Roseau, Dominica, July 17, CANA -- Dominica's Prime Minister Eugenia Charles says she does not think that a Caribbean federation is possible in the foreseeable future.

Charles, who is down to participate in a CANA radio discussion programme on the topic tonight, told reporters here that she holds the view that the region should aim for such an end, since it is desirable.

But, she added, I do not believe that in our time we are going to find people deciding to give up parts of their sovereignty...to become one country.

However, the Dominican leader said there was hope for more joint services in the region.

A previous federation of English-speaking Caribbean states collapsed in 1961.

On the possibilities of a loose federation among countries of the Organisation of Eastern Caribbean States (OECS), Charles said that although the organisation was getting close to this stage, she did not think the islands had progressed far enough to become a united state.

TRINIDAD-TOBAGO

TRINIDAD GUARDIAN ON COMMONWEALTH GAMES BOYCOTT

FL171437 Bridgetown CANA in English 1407 GMT 17 Jul 86

[Text] Port-of-Spain, Trinidad, July 17, CANA -- This month's Commonwealth Games in Scotland, hit by a boycott over Britain's failure to agree to economic sanctions against racist South Africa, should still proceed in the interest of Commonwealth unity, the TRINIDAD GUARDIAN said today.

Attacking South Africa is one thing. Weakening the commonwealth is another, said the paper in an editorial today. And there is no evidence that boycotting the games, or dropping out of the Commonwealth itself, will hurt South Africa.

So far eight Commonwealth countries, seven from Africa along with the Bahamas, have announced a boycott of the July 24-August 2 games. Barbados and Dominica have announced they will participate, while Jamaica and Trinidad and Tobago have put their contingents on hold.

The GUARDIAN went on: It is true that the present British Government is against economic sanctions, but the Conservative government is not Britain. In Britain, the opposition, trade unions, and millions of its citizens disagree strongly with their government, the paper added. The GUARDIAN pointed to the service, aid, culture, and shared institutional links which now exist within the 49-nation grouping.

There is reason for believing that the survival of the Commonwealth is as important as the bringing down of the Botha regime in South Africa.

The GUARDIAN said it understood the move to boycott the games - a move coming out of emotional response and frustration.

But, the paper added: All of this, however, has nothing to do with the Commonwealth Games and the future of the Commonwealth.

The games must go on, and so too the Commonwealth.

PNM DENIES RACE ISSUE IN CAMPAIGN

FL180010 Bridgetown CANA in English 2219 GMT 17 Jul 86

[Text] Port-of-Spain, Trinidad, July 17, CANA -- The Youth League of the ruling People's National Movement (PNM) today rejected claims by opposition politicians that Trinidad and Tobago Prime Minister George Chambers had introduced race as an issue in the campaign for the next general election.

Youth League spokesman Morris Marshall said the charges were wicked and opportunistic on the part of opposition leaders.

The history of the PNM has been one of racial solidarity and inter-racial harmony, he said in a statement.

Addressing a Youth League rally last Sunday, Chambers claime that his main rivals, the National Alliance for Reconstruction (NAR), were bent on wresting political power from a certain section of the community.

NAR officials said the statement had racial overtones and indicated that Chambers intended fighting the election on race and violence.

The opposition grouping has complained to the Christian Council of Trinidad and Tobago (CCTT) about Chambers comments, said to be in breach of the CCTTS code of conduct for the poll.

The council has written to Chambers for clarification of his comments.

Marshall said he was surprised that the statements could by taken to mean certain racial sections of the society.